

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

R

W-01380A  
Ray Water Company  
414 North Court  
Tucson, AZ 85701

RECEIVED

APR 13 2007

AZ CORP COMM  
Director Utilities

**ANNUAL REPORT**

**FOR YEAR ENDING**

12	31	2006
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FOR COMMISSION USE

ANN 04	06
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PROCESSED BY:

4-16-07 RF

SCANNED

## COMPANY INFORMATION

<b>Company Name (Business Name)</b> <u>Ray Water Company</u>		
<b>Mailing Address</b> <u>414 N. Court Avenue</u>		
<u>Tucson</u> (City)	<u>AZ</u> (State)	<u>85701</u> (Zip)
<u>520-623-1332</u> Telephone No. (Include Area Code)	<u>520-623-2302</u> Fax No. (Include Area Code)	<u>N/A</u> Pager/Cell No. (Include Area Code)
<b>Email Address</b> <u>N/A</u>		
<b>Local Office Mailing Address</b> <u>414 N. Court Avenue</u>		
<u>Tucson</u> (City)	<u>AZ</u> (State)	<u>85701</u> (Zip)
<u>520-623-1332</u> Local Office Telephone No. (Include Area Code)	<u>520-623-2302</u> Fax No. (Include Area Code)	<u>N/A</u> Pager/Cell No. (Include Area Code)
<b>Email Address</b> <u>N/A</u>		

## MANAGEMENT INFORMATION

<b>Management Contact:</b> <u>Dorleen Mallis</u>		
<u>414 N. Court Avenue</u> (Street)	<u>Tucson</u> (City)	<u>AZ</u> (State)
<u>520-623-1332</u> Telephone No. (Include Area Code)	<u>520-623-2302</u> Fax No. (Include Area Code)	<u>85701</u> (Zip)
<b>Email Address</b> <u>N/A</u>		
<b>On Site Manager:</b> <u>Rhonda Rosenbaum</u>		
<u>414 N. Court Avenue</u> (Street)	<u>Tucson</u> (City)	<u>AZ</u> (State)
<u>520-623-1332</u> Telephone No. (Include Area Code)	<u>520-623-2302</u> Fax No. (Include Area Code)	<u>85701</u> (Zip)
<b>Email Address</b> <u>N/A</u>		

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

<b>Statutory Agent:</b> Rhonda Rosenbaum			
414 N. Court Avenue	(Name) Tucson	AZ	85701
(Street)	(City)	(State)	(Zip)
520-623-1332	520-623-2302	N/A	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
<b>Attorney:</b> Hugh Holub			
1881 N. Mastick Way	(Name) Nogales	AZ	85621
(Street)	(City)	(State)	(Zip)
520-377-8259	N/A	N/A	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

### OWNERSHIP INFORMATION

Check the following box that applies to your company:

- |   |  |
|---|--|
| <input type="checkbox"/> Sole Proprietor (S)    | <input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P)        | <input type="checkbox"/> Subchapter S Corporation (Z)                                |
| <input type="checkbox"/> Bankruptcy (B)         | <input type="checkbox"/> Association/Co-op (A)                                       |
| <input type="checkbox"/> Receivership (R)       | <input type="checkbox"/> Limited Liability Company                                   |
| <input type="checkbox"/> Other (Describe) _____ |  |

### COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- |                                     |  |                                   |
|-------------------------------------|--|-----------------------------------|
| <input type="checkbox"/> APACHE     | <input type="checkbox"/> COCHISE         | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA       | <input type="checkbox"/> GRAHAM          | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ     | <input type="checkbox"/> MARICOPA        | <input type="checkbox"/> MOHAVE   |
| <input type="checkbox"/> NAVAJO     | <input checked="" type="checkbox"/> PIMA | <input type="checkbox"/> PINAL    |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI         | <input type="checkbox"/> YUMA     |
| <input type="checkbox"/> STATEWIDE  |  |                                   |

**COMPANY NAME** Ray Water Company

**UTILITY PLANT IN SERVICE**

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	N/A	N/A	N/A
302	Franchises	700	-0-	700
303	Land and Land Rights	1,540	-0-	1,540
304	Structures and Improvements	13,781	10,649	3,132
307	Wells and Springs	309,915	178,878	131,037
311	Pumping Equipment	225,714	44,989	180,725
320	Water Treatment Equipment	N/A	N/A	N/A
330	Distribution Reservoirs and Standpipes	332,790	132,219	200,571
331	Transmission and Distribution Mains	693,458	425,984	267,474
333	Services	392,179	78,028	314,151
334	Meters and Meter Installations	111,309	69,042	42,267
335	Hydrants	77,913	32,177	45,736
336	Backflow Prevention Devices	N/A	N/A	N/A
339	Other Plant and Misc. Equipment	3,989	1,947	2,042
340	Office Furniture and Equipment	15,645	1,650	13,995
341	Transportation Equipment	56,568	14,071	42,497
343	Tools, Shop and Garage Equipment	671	573	98
344	Laboratory Equipment	N/A	N/A	N/A
345	Power Operated Equipment	N/A	N/A	N/A
346	Communication Equipment	694	574	120
347	Miscellaneous Equipment	1,253	1,034	219
348	Other Tangible Plant	N/A	N/A	N/A
	<b>TOTALS</b>	<b>2,238,119</b>	<b>991,815</b>	<b>1,246,304</b>

This amount goes on the Balance Sheet Acct. No. 108

See Accountants' Compilation Report.

<b>COMPANY NAME</b>	Ray Water Company
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### **CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

<b>Acct. No.</b>	<b>DESCRIPTION</b>	<b>Original Cost (1)</b>	<b>Depreciation Percentage (2)</b>	<b>Depreciation Expense (1x2)</b>
301	Organization	N/A	N/A	N/A
302	Franchises	700	N/A	N/A
303	Land and Land Rights	1,540	N/A	N/A
304	Structures and Improvements	13,781	5.0%	613
307	Wells and Springs	309,915	5.0%	10,534
311	Pumping Equipment	225,714	5.0%	9,189
320	Water Treatment Equipment	N/A	N/A	N/A
330	Distribution Reservoirs and Standpipes	332,790	5.0%	13,485
331	Transmission and Distribution Mains	693,458	5.0%	21,145
333	Services	392,179	5.0%	19,489
334	Meters and Meter Installations	111,309	5.0%	3,510
335	Hydrants	77,913	5.0%	3,555
336	Backflow Prevention Devices	N/A	N/A	N/A
339	Other Plant and Misc. Equipment	3,989	5.0%	199
340	Office Furniture and Equipment	15,645	5.0%	734
341	Transportation Equipment	56,568	5.0%	2,829
343	Tools, Shop and Garage Equipment	671	5.0%	34
344	Laboratory Equipment	N/A	N/A	N/A
345	Power Operated Equipment	N/A	N/A	N/A
346	Communication Equipment	694	5.0%	35
347	Miscellaneous Equipment	1,253	5.0%	63
348	Other Tangible Plant	N/A	N/A	N/A
	<b>TOTALS</b>	<b>2,238,119</b>		<b>85,414</b>

This amount goes on the Comparative Statement of Income and Expense \_\_\_\_\_  
Acct. No. 403.

Less amortization of contributions in aid of construction	(14,905)
Net Depreciation	<u>70,509</u>

See Accountants' Compilation Report.

**COMPANY NAME** Ray Water Company

**BALANCE SHEET**

Acct .No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$ 52,371	\$ 49,911
134	Working Funds	N/A	N/A
135	Temporary Cash Investments	886,560	702,480
141	Customer Accounts Receivable	8,315	28,050
146	Notes/Receivables from Associated Companies	N/A	N/A
151	Plant Material and Supplies	N/A	N/A
162	Prepayments	11,544	5,310
174	Miscellaneous Current and Accrued Assets	10,256	9,829
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	\$ 969,046	\$ 795,580
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$ 2,217,135	\$ 2,238,119
103	Property Held for Future Use	N/A	N/A
105	Construction Work in Progress	58,365	376,480
108	Accumulated Depreciation – Utility Plant	916,490	991,815
121	Non-Utility Property	N/A	N/A
122	Accumulated Depreciation – Non Utility	N/A	N/A
	<b>TOTAL FIXED ASSETS</b>	\$ 1,359,010	\$ 1,622,784
	<b>TOTAL ASSETS</b>	\$ 2,328,056	\$ 2,418,364

**NOTE:** The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

See Accountants' Compilation Report.

COMPANY NAME Ray Water Company

**BALANCE SHEET (CONTINUED)**

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>LIABILITIES</b>		
	<b>CURRENT LIABILITIES</b>		
231	Accounts Payable	\$ 1,385	\$ 1,458
232	Notes Payable (Current Portion)	-0-	-0-
234	Notes/Accounts Payable to Associated Companies	-0-	-0-
235	Customer Deposits	79,755	96,125
236	Accrued Taxes	25,944	53,059
237	Accrued Interest	-0-	-0-
241	Miscellaneous Current and Accrued Liabilities	28,616	29,459
	<b>TOTAL CURRENT LIABILITIES</b>	\$ 135,700	\$ 180,101
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds	\$ -0-	\$ -0-
	<b>DEFERRED CREDITS</b>		
251	Unamortized Premium on Debt	\$ -0-	\$ -0-
252	Advances in Aid of Construction	877,205	843,984
255	Accumulated Deferred Investment Tax Credits	4,112	3,173
271	Contributions in Aid of Construction	304,031	309,031
272	Less: Amortization of Contributions	(45,941)	(60,846)
281	Accumulated Deferred Income Tax	27,242	13,506
	<b>TOTAL DEFERRED CREDITS</b>	\$ 1,166,649	\$ 1,108,848
	<b>TOTAL LIABILITIES</b>	\$ 1,302,349	\$ 1,288,949
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$ 16,000	\$ 16,000
211	Paid in Capital in Excess of Par Value	41,333	41,333
215	Retained Earnings	968,374	1,072,082
218	Proprietary Capital (Sole Props and Partnerships)		
	<b>TOTAL CAPITAL</b>	\$ 1,025,707	\$ 1,129,415
	<b>TOTAL LIABILITIES AND CAPITAL</b>	\$ 2,328,056	\$ 2,418,364

See Accountants' Compilation Report.

**COMPANY NAME** Ray Water Company

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

<b>Acct. No.</b>	<b>OPERATING REVENUES</b>	<b>PRIOR YEAR</b>	<b>CURRENT YEAR</b>
461	Metered Water Revenue	\$ 578,419	\$ 633,337
460	Unmetered Water Revenue	-0-	-0-
474	Other Water Revenues	19,584	21,370
	<b>TOTAL REVENUES</b>	\$ 598,003	\$ 654,707
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$ 196,749	\$ 214,368
610	Purchased Water	-0-	-0-
615	Purchased Power	66,873	69,804
618	Chemicals	-0-	-0-
620	Repairs and Maintenance	1,644	2,941
621	Office Supplies and Expense	13,180	14,960
630	Outside Services	20,165	21,616
635	Water Testing	28,616	29,459
636	Water Testing Emp. Pension & Benefit-SEP	22,000	22,000
641	Rents	7,227	9,197
650	Transportation Expenses	9,117	14,517
657	Insurance -- General Liability	1,203	2,129
659	Insurance - Health and Life	-0-	-0-
666	Regulatory Commission Expense -- Rate Case	43,638	46,461
675	Miscellaneous Expense	72,947	70,509
403	Depreciation Expense	15,644	17,039
408	Taxes Other Than Income	38,919	39,348
408.11	Property Taxes	33,485	26,618
409	Income Tax		
	<b>TOTAL OPERATING EXPENSES</b>	\$ 571,407	\$ 600,966
	<b>OPERATING INCOME/(LOSS)</b>	\$ 26,596	\$ 53,741
	<b>OTHER INCOME/(EXPENSE)</b>		
419	Interest and Dividend Income	\$ 17,191	\$ 29,412
421	Non-Utility Income	-0-	21,000
426	Miscellaneous Non-Utility Expenses	(76)	(149)
427	Interest Expense	(253)	(296)
	<b>TOTAL OTHER INCOME/(EXPENSE)</b>	\$ 16,862	\$ 49,967
	<b>NET INCOME/(LOSS)</b>	\$ 43,458	\$ 103,708

See Accountants' Compilation Report.



**COMPANY NAME** Ray Water Company

**SUPPLEMENTAL FINANCIAL DATA**

**Long-Term Debt**

		LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued					
Source of Loan					
ACC Decision No.					
Reason for Loan					
Dollar Amount Issued	\$		\$	\$	\$
Amount Outstanding	\$		\$	\$	\$
Date of Maturity					
Interest Rate		%	%	%	%
Current Year Interest	\$		\$	\$	\$
Current Year Principle	\$	-0-	\$	\$	\$

Meter Deposit Balance at Test Year End \$ 14,763

Meter Deposits Refunded During the Test Year \$ 874

See Accountants' Compilation Report.

<b>COMPANY NAME</b>	Ray Water Company
<b>Name of System</b>	Ray Water
<b>ADEQ Public Water System Number (if applicable)</b> 10-095	

## WATER COMPANY PLANT DESCRIPTION

### WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-609464	40	300	464	12"	6" FM	1969
55-609465	60	125	425	12"	6" FM	1973
55-609466	30	75	331	12"	4" FM	1963
55-800420	60	400	680	12"	6" FM	1983

\* Arizona Department of Water Resources Identification Number

### OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
N/A		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
25	1	60	N/A
20	1		
15	3		
30	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
50,000	4	5,000	4
90,000	1	6,000	1
250,000	1	1,000	1

*Note: If you are filing for more than one system, please provide separate sheets for each system.*

<b>COMPANY NAME</b>	Ray Water Company	
<b>Name of System</b>	Ray Water	<b>ADEQ Public Water System Number (if applicable)</b> 10-095

### WATER COMPANY PLANT DESCRIPTION (CONTINUED)

#### MAINS

Size (in inches)	Material	Length (in feet)
2	N/A	N/A
3	AC	9,730
4	AC	29,900
5	N/A	N/A
6	AC	24,780
8	AC	4,410
10	N/A	N/A
12	N/A	N/A
4	PVC 900	735
6	PVC 900	13,515
8	PVC 900	19,686
6	DIP	175
12	DIP	200

#### CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	1,490
3/4	N/A
1	28
1 1/2	3
2	10
Comp. 3	N/A
Turbo 3	1
Comp. 4	3
Tubo 4	1
Comp. 6	1
Tubo 6	N/A

**For the following three items, list the utility owned assets in each category for each system.**

**TREATMENT EQUIPMENT:**  
N/A

**STRUCTURES:**

Cyclone/razor wire fencing around all six well sites.  
50 sq. ft. storage building at well #4.

**OTHER:**

Office furniture and equipment, computers.  
Miscellaneous field equipment.

*Note: If you are filing for more than one system, please provide separate sheets for each system.*

<b>COMPANY NAME:</b> Ray Water Company	
<b>Name of System</b> Ray Water	<b>ADEQ Public Water System Number (if applicable)</b> 10-095

### WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2006

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	1,464	15,342	19,466	-0-
FEBRUARY	1,492	16,373	17,096	-0-
MARCH	1,510	19,788	20,119	-0-
APRIL	1,515	17,418	20,800	-0-
MAY	1,515	19,788	27,614	-0-
JUNE	1,527	29,226	31,678	-0-
JULY	1,521	22,710	22,958	-0-
AUGUST	1,547	26,190	22,696	-0-
SEPTEMBER	1,512	17,854	21,310	-0-
OCTOBER	1,529	16,746	18,351	-0-
NOVEMBER	1,533	20,804	19,612	-0-
DECEMBER	1,519	16,864	19,881	-0-
<b>TOTALS →</b>		239,103	261,581	-0-

What is the level of arsenic for each well on your system? \_\_\_\_\_\* mg/l  
*(If more than one well, please list each separately.)*

If system has fire hydrants, what is the fire flow requirement? \_\_\_\_\_GPM for \_\_\_\_\_hrs N/A

If system has chlorination treatment, does this treatment system chlorinate continuously?  
☐ Yes ☒ No

Is the Water Utility located in an ADWR Active Management Area (AMA)?  
☒ Yes ☐ No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?  
☒ Yes ☐ No

If yes, provide the GPCPD amount: 121 GPC PD

*Note: If you are filing for more than one system, please provide separate data sheets for each system.*

Point of Entry	Level*
#1	.0032 mg/l
#2	.0047 mg/l
#3	.0030 mg/l
#4	.0020 mg/l
#5	.0010 mg/l

See Accountants' Compilation Report.

COMPANY NAME Ray Water Company YEAR ENDING 12/31/2006

**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2006 was: \$ \*39,132

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

19,409.09      Paid 4-28-06  
19,723.30      Paid 10-27-06

\*39,132.39      Property taxes paid during 2006  
                    (See attached payment receipts)

See Accountants' Compilation Report.

**PIMA COUNTY TREASURER'S OFFICE****TAX PAYMENT RECEIPT**

Paid Date 04/28/2006

Batch Number 1060428088

Paid by Code 01

RAY WATER COMPANY, INC  
414 N COURT AVENUE  
TUCSON, AZ 85701

Method Amount

CK \$19,409.10

Total Amount Paid \$19,409.10

Total Tax Amount Paid \$19,409.09

Total Interest Amount Paid \$0.00

Total Refund Due \$0.00

PARCEL NUMBER	TAX - PAID	INTEREST PAID	TOTAL PAID	PAYMENT TYPE	LEGAL DESCRIPTION
140351670	\$239.65	\$0.00	\$239.65	SECOND HALF	CORONET PARK NO 1 LOT 164 TOTAL VALUE OF OPERATING PROPERTY TAXPAYER GROUP NO 220 (FORMERLY 139-33-1670)
140352050	\$59.92	\$0.00	\$59.92	SECOND HALF	CORONET PARK NO 2 PARCEL 50' X 75' BLK 2 TOTAL VALUE OF OPERATING PROPERTY- TAXPAYER GROUP NO 220 (FORMERLY 139-33-2050)
140340220	\$139.80	\$0.00	\$139.80	SECOND HALF	RAY AMENDED LOT 7 BLK 4 (FORMERLY 139-32-0220)
922012000	\$18,969.72	\$0.00	\$18,969.72	SECOND HALF	TOTAL VALUE OF OPERATING PROPERTY TAXPAYER GROUP NO 220

**PIMA COUNTY TREASURER'S OFFICE****TAX PAYMENT RECEIPT**

Paid Date 10/27/2006

Batch Number I061027137

Paid by Code 01

RAY WATER COMPANY, INC.  
414 N. COURT AVENUE  
TUCSON, AZ 85701

Method Amount  
CK \$19,723.30

Total Amount Paid \$19,723.30

Total Tax Amount Paid \$19,723.30

Total Interest Amount Paid \$0.00

Total Refund Due \$0.00

PARCEL NUMBER	TAX PAID	INTEREST PAID	TOTAL PAID	PAYMENT TYPE	LEGAL DESCRIPTION
922012000	\$19,197.02	\$0.00	\$19,197.02	FIRST HALF	TOTAL VALUE OF OPERATING PROPERTY TAXPAYER GROUP NO 220
140340220	\$136.04	\$0.00	\$136.04	FIRST HALF	RAY AMENDED LOT 7 BLK 4 (FORMERLY 139-32-0220)
140351670	\$233.22	\$0.00	\$233.22	FIRST HALF	CORONET PARK NO 1 LOT 164 TOTAL VALUE OF OPERATING PROPERTY TAXPAYER GROUP NO 220 (FORMERLY 139-33-1670)
140352050	\$58.31	\$0.00	\$58.31	FIRST HALF	CORONET PARK NO 2 PARCEL 50' X 75' BLK 2 TOTAL VALUE OF OPERATING PROPERTY- TAXPAYER GROUP NO 220 (FORMERLY 139-33-2050)
140340180	\$19.52	\$0.00	\$19.52	FIRST HALF	RAY AMENDED LOT 3 BLK 4 RAY WATER COMPANY TOTAL VALUE OF OPERATING PROPERTY TAXPAYER GROUP NO 220 (FORMERLY 139-32-0180)
140340280	\$19.52	\$0.00	\$19.52	FIRST HALF	RAY AMENDED LOT 1 BLK 5 RAY WATER COMPANY TOTAL VALUE OF OPERATING

					PROPERTY TAXPAYER GROUP NO 220 (FORMERLY 139-32-0280)
140340810	\$19.52	\$0.00	\$19.52	FIRST HALF	RAY AMENDED THAT PT OF LOT 9 BLK 15 LYG SLY OF SWAN RD & PT ABAND RD (ABAND 7562/1098 (FORMERLY 139-32- 185B) TOTAL VALUE OF OPERATING PROPERTY- TAXPAYER GROUP NO 55-220
140060090	\$20.63	\$0.00	\$20.63	FIRST HALF	MORTIMORE LOT 20 BLK 11 TOTAL VALUE OF OPERATING PROPERTY TAXPAYER GROUP #220 (FORMERLY 139-09-0090)
140342750	\$19.52	\$0.00	\$19.52	FIRST HALF	RAY AMENDED N55' OF LOT 16 EXC TRI IN NW COR THEREOF BLK 12 (WELLSITE) TOTAL VALUE OF OPERATING PROPERTY TAXPAYER GROUP #220 (FORMERLY 139-32-146A)



VERIFICATION  
AND  
SWORN STATEMENT  
Taxes

RECEIVED

APR 13 2007

AZ CORP COMM  
Director Utilities

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED  
OF THE

COUNTY OF (COUNTY NAME)	Pima
NAME (OWNER OR OFFICIAL) TITLE	Dorleen Mallis, President
COMPANY NAME	Ray Water Company

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

*x Dorleen Mallis*  
SIGNATURE OF OWNER OR OFFICIAL

520-623-1332

TELEPHONE NUMBER

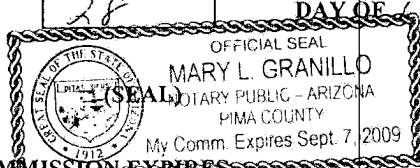
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

28

DAY OF



MY COMMISSION EXPIRES

9-7-2009

COUNTY NAME	PIMA
MONTH	MARCH
	2007

*Mary L. Granillo*  
SIGNATURE OF NOTARY PUBLIC

COMPANY NAME Ray Water Company

YEAR ENDING 12/31/2006

**INCOME TAXES**

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>127,430</u>
Estimated or Actual Federal Tax Liability	<u>32,948</u>

State Taxable Income Reported	<u>155,958</u>
Estimated or Actual State Tax Liability	<u>10,862</u>

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>None</u>
Amount of Gross-Up Tax Collected	<u>None</u>
Total Grossed-Up Contributions/Advances	<u>None</u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

x Dorleen Mallis  
SIGNATURE

x 3/28/07  
DATE

Dorleen Mallis

PRINTED NAME

President

TITLE

See Accountants' Compilation Report.

RECEIVED

APR 13 2007

**VERIFICATION  
AND  
SWORN STATEMENT**  
**Intrastate Revenues Only**

**VZ CORP COMM**  
**Director Utilities**

**VERIFICATION**STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)
Pima
NAME (OWNER OR OFFICIAL) TITLE
Dorleen Mallis, President
COMPANY NAME
Ray Water Company

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION****FOR THE YEAR ENDING**

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2006 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 699,356

(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 44,649  
IN SALES TAXES BILLED, OR COLLECTED)

**\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

x Dorleen Mallis  
SIGNATURE OF OWNER OR OFFICIAL

520-623-1332

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

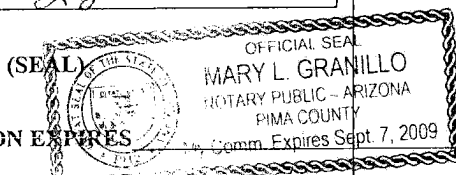
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

28

DAY OF

COUNTY NAME	<u>Pima</u>	
MONTH	<u>MARCH</u>	<u>2007</u>



Mary L. Granillo  
SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES

See Accountants' Compilation Report.

**VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE**

Intrastate Revenues Only

**RECEIVED**

APR 13 2007

AZ CORP COMM  
Director Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

COUNTY OF (COUNTY NAME) Pima	
NAME (OWNER OR OFFICIAL) Dorleen Mallis	TITLE President
COMPANY NAME Ray Water Company	

MONTH 12	DAY 31	YEAR 2006
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HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2006 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES  \$ 593,224
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THE AMOUNT IN BOX AT LEFT  
INCLUDES \$ 39,067  
IN SALES TAXES BILLED, OR COLLECTED)

\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.

X Dorleen Mallis  
SIGNATURE OF OWNER OR OFFICIAL

520-623-1332

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

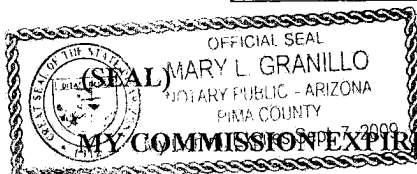
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

28

DAY OF

NOTARY PUBLIC NAME MARY L GRANILLO	
COUNTY NAME Pima	
MONTH MARCH	2009



X Mary L Granillo  
SIGNATURE OF NOTARY PUBLIC